
Defense Report

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Social Security for the Military Professional—Is It a Benefit or a Shell Game?

Until 1957 the career members of the United States military establishment were not covered by Social Security. Since that time, however, they have been contributing fully to the Social Security fund and military retirees who have left the service after accumulating sufficient wage credits have begun drawing Social Security annuity payments when they reached the proper age. Military people assumed they would be treated like any other participant in the old-age income maintenance plan. This was not to be the case.

First, the Survivor Benefit Plan (SBP), to which service members contribute and which is intended to provide continuing income to their families, was written to include a reduction or "offset" equal to the total amount of Social Security income attributable to their military career. This inequity has been a major factor in poor acceptance of the SBP by military people. A legislative effort has been made to reduce the offset to an amount equal to the government's contribution to Social Security but, although approved unanimously by the House, was not acted on by the Senate.

Now the White House Office of Management and Budget, in commenting on a package of military compensation and retirement legislation to go to Congress, has concluded that military retirement itself should be completely offset by the amount of eventual Social Security income attributable to military service. This means that, under the OMB proposal, a military careerist who pays Social Security taxes for thirty years, would, on reaching Social Security eligibility age, have his retired pay reduced by whatever his Social Security payment might be. At a time in his life when earning power is essentially gone the military retiree would realize no benefit whatsoever from the Social Security fund he has been contributing to for so many years.

The Administration argues that military retirement is over-generous and that no individual should receive more than one retirement income from the same source, in this case the Federal Government. If this is true, the men and women of the armed forces should never have been covered by Social Security. If, for some reason they must be contributors to Social Security on the same basis as civilian participants, the military retirees should be equal recipients of the benefits. The source of their basic retirement income, military service, should not be considered any different than career-long participation in a civilian retirement plan.

The White House staff has raised this issue with cost avoidance as its primary goal. Their real goal should have been fairness and equity for the military men and women who will retire in the future.